

CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

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1. Sztalinváros is being constructed according to Russian plans in two phases. The first phase was scheduled to be completed on 1 August 1954. The second phase is to begin as soon as the plans will arrive from the USSR. The construction of the sulphuric acid factory and the cold and hot sheet metal rolling mills will take place in the second phase.

2. The factories already completed are as follows:

a. Fire Resisting Brick Factory (Tüzálló Téglagyár).

The entire production of this factory is stored in the factory area since, for the time being, only Russian bricks are to be used in the Sztalinváros Combine. Production has recently dropped at the Fire Resisting Brick Factory due to the lack of storage space. It is estimated that 50% of the bricks and material stored in the open become useless.

b. Large Smelting Works (Nagyelvasztó).

The smelting works are of the General Motors-type of 750 cu. m. capacity. They are tapped seven times every two days. On the first day of tapping a 5 m. long crack appeared on the steel outer casing which was repaired without affecting a stoppage. At the end of the first week the blowers had melted due to the lack of experience in handling the equipment. Géza Hum, and expert smelter who was present during the construction of the foundry, was not employed when production began due to his right wing political views. The foundry was out of action for two days. Hum was then put in charge after the breakdown. The ore used is poor quality Russian ore. Due to the faulty and bad construction of the tipplers, there is an approximate 30% loss which slowly covers the surrounding buildings in the form of red powder. The

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coke required for the smelting works is imported from Poland until such time as the coke works of Sztalinváres are completed. The amount of coke in reserve on 1 April 1954 was approximately 30,000 cu. m. At the construction of the smelting works, Austrian labor was also used. The Austrians completed their task one month ahead of the Hungarians.

- c. The Locomotive Workshop, the Forge, and smaller workshops have also been completed.
3. Cranes which have recently been installed at the harbor are of 80-ton capacity. There are four small industrial locomotives in use in Sztalinváres; these were imported from East Germany.
 4. There are at least five "bomb and gas proof shelters" on the premises. The walls are 2 m. thick concrete, and are built above the ground. The roofs are covered with earth and camouflaged with grass. Some of them are of faulty construction, insofar as the concrete has not set properly. It is doubtful that these shelters are actually bomb proof.
 5. The coke works under construction has a planned production of 606,000 tons per year. The coal is to be brought from Komló. The tar storage tanks, which are also under construction, will be of 1,000 cu. m. and 500 cu. m. capacity.
 6. Buildings built on the notorious loose earth of Sztalinváres are already beginning to sink in places. In the foundry's conveying equipment several centimeters of movement has been noticed.
 7. Water for the area is supplied by pumps installed in the Danube harbor. If these were destroyed complete stoppage of work would result.
 8. The entire area of the combine has been surrounded with a barbed wire fence. The factory guard consists of 300 men wearing uniforms similar to the police; each man is equipped with short Mannlicher carbine.

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